

**Performance Audit  
Parks and Recreation Department  
Community Centers**

April 2002

**City Auditor's Office  
City of Kansas City, Missouri**

April 30, 2002

Honorable Mayor, Members of the City Council, and Members of the Board of Parks and Recreation Commissioners:

This performance audit of the Parks and Recreation Department's community center system was initiated by the City Auditor pursuant to Article II, Section 13 of the city charter. The performance audit focused on identifying the intended role of community centers operated by the department and determining whether this role is being accomplished.

Operating costs for the department's 11 community centers exceed the revenue provided from the dedicated funding source and user fees. While the prior Board of Parks and Recreation Commissioners identified the dedicated revenue for center construction and operations, they did not determine the operating costs when they decided to expand the system. Community center operations currently rely on increasing levels of general fund support. In fiscal year 2001, general fund contributions exceeded \$3.5 million. User fee revenue has increased to almost \$1 million annually. This figure includes approximately \$110,000 in fees collected at the older centers and placed in the East Park Fund, where they can be used for other department activities. Maintenance problems at the community centers are substantial, however operating expenses do not include maintenance funding.

The board has not established financial policies that address the current gap between financial resources and expenditures and provide guidance to community center staff on program pricing. A sound fiscal plan could ensure financial resources are adequate to cover anticipated expenditures. In addition to the current financial shortfall, we recently determined that uniform vehicle license fees, the source of community center dedicated revenue, will expire in 2012. Debt service payments to repay construction costs for the new centers will continue until 2014. Unless another funding source is identified, additional general fund support will be needed to replace the dedicated revenue and continue debt service payments.

Partnerships with school districts, area hospitals, the YMCA, and other social or recreational service agencies are recognized as a way for parks and recreation operations to leverage financial resources. Although the Community Centers Division has established some of these agreements, the board has not developed policies that would govern and encourage such relationships or ensure the agreements are sufficiently beneficial to the city.

Programs and activities offered by the 11 community centers vary widely. These programs, however, are typically chosen by staff with limited public input. Reported community center visits have increased slightly since 1999. Recent citizen surveys show most citizens rarely use recreation facilities, although

membership lists at other area facilities include a significant number of Kansas City residents. Without public input, it is difficult to determine whether the centers' mix of activities serve the best interests of the public and the communities in which the centers are located. The staff makes little attempt to obtain feedback from users regarding their satisfaction with the services provided or hours of operation. The board has not identified the role of the centers, specifically what community need the centers are supposed to address, the programs or services they should provide, or their intended users. Measurable goals and objectives for the community centers have not been developed. The lack of meaningful measures prevents the board or department from evaluating the centers' performance.

We recommend the board begin planning for the loss of vehicle license fee revenues and establish policies that address the financial shortfall, provide guidance on program pricing and provide guidelines and encouragement on the use of partnerships. We recommend the board identify the community need, whom the community centers should serve, and the programs or services they will provide. Board decisions regarding the community center role should consider the limited available funding for operations, and community input on the programs the centers should offer. Once the role has been developed, Parks and Recreation staff should establish measurable goals and objectives and actively determine user satisfaction. We also recommend the division consider establishing advisory councils at each center to provide input on programming, recruiting volunteers, and improving relationships with the users of the service.

The draft report was sent to the Director of Parks and Recreation on March 21, 2002. His written response is included as an appendix. We appreciate the courtesy and cooperation extended to us during this project by the staff in the Parks and Recreation Department. The audit team for this project was Sharon Kingsbury, Vivien Zhi, and Gary White.

Mark Funkhouser  
City Auditor

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# Parks and Recreation Department Community Centers

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## **Parks and Recreation Department Community Centers**

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## Introduction

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## Objectives

This performance audit of the Parks and Recreation Department's Community Centers Division was initiated by the City Auditor pursuant to Article II, Section 13 of the Charter of Kansas City, Missouri, which establishes the Office of the City Auditor and outlines the City Auditor's primary duties.

A performance audit is an objective, systematic examination of evidence to independently assess the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making.<sup>1</sup> This audit was designed to answer the following questions:

- What is the intended role of the community centers in Kansas City?
- Is this role being accomplished?

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## Scope and Methodology

The audit work focused on the operations of the Parks and Recreation Department's 11 community centers. It included the activities of the Board of Parks and Recreation Commissioners during construction and renovation of the centers, and management and staff efforts to provide recreational activities for Kansas City residents.

The audit was conducted in accordance with generally accepted government auditing standards. Audit methods included:

- Interviewing a member of the Board of Parks and Recreation Commissioners; department staff; and staff from the YMCA, the Johnson County Parks and Recreation District, and the Overland Park, North Kansas City, and Mission community centers.

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<sup>1</sup> Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office, 1994), p. 14.

- Visiting Parks and Recreation Department community centers and other similar operations in the metropolitan area.
- Reviewing department records on community center operations, programs, participants, revenue, costs, and community feedback.
- Reviewing consultant studies, literature on community center and recreation programs, and information from similar operations in the metropolitan area and professional organizations.
- Reviewing board meeting minutes from 1990 to 2001.

No information was omitted from this report because it was deemed privileged or confidential.

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## **Background**

### **Legislative Authority**

The Parks and Recreation Department operates under the direction of the Board of Parks and Recreation Commissioners. Under the city charter, the board is responsible for operating all public playgrounds, swimming pools, grounds for games or sports, and other recreational facilities. The board also appoints the Director of Parks and Recreation.<sup>2</sup>

### **Community Center Expansion**

On August 4, 1992, voters approved a measure to abolish the Kansas City automobile sticker and replace it with a uniform license fee of \$12.50 for all personal and commercial motor vehicles. Revenue from vehicle licenses was dedicated annually to the following areas:

- the counties for tax collection services;
- continued park maintenance operations;
- construction and renovation of community centers; and
- operation of new community centers.<sup>3</sup>

Following voter approval, the board began planning for construction of four new community centers. Two existing centers were also demolished and rebuilt. Construction costs for the four new and two

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<sup>2</sup> Charter of Kansas City, Missouri, Article III, Sections 50, 55.1, and 63.

<sup>3</sup> Ordinance 920379.

rebuilt centers totaled approximately \$20 million. Public Improvement Advisory Committee (PIAC)<sup>4</sup> funds provided \$1.1 million for construction of Marlborough, Brush Creek, and Line Creek community centers. Construction costs for the six centers and the dates they opened are shown in Exhibit 1.

Exhibit 1. Construction Costs/Opening Dates for New Centers

Community Center	Opening Date	Construction Cost
Hillcrest	November 1995	\$2,694,320
Brush Creek	April 1996	3,235,739
Line Creek	November 1996	3,947,716
Gregg/Klice (rebuilt)	November 1997	4,143,724
Marlborough (rebuilt)	August 2000	1,370,790
Tony Aguirre	November 2000	4,324,618
Total		\$19,716,907

Sources: Minutes from meetings of the Board of Parks and Recreation Commissioners 1990-2001; Adopted Budgets 1997-2002; and Community Center Staff.

### Community Centers Division

The department's Recreation Division administered the community centers until 1997, when a Community Centers Division was created. A mission statement for the division was developed in the fall of 1998. The mission of the Community Centers Division is:

To provide safe, enjoyable facilities offering diverse and innovative leisure programs for the people of Kansas City, Missouri and the metropolitan area which enhance their neighborhoods and improve the quality of life.<sup>5</sup>

The division currently operates 11 community centers. (See Appendix A for the address and a description of each center. A map showing the locations of the division's community centers, the locations of area YMCAs, and other area community centers is shown in Exhibit 3 on page 5.)

**Staffing.** Community center staffing increased between 1996 and 2000, along with the increase in the number of centers. (See Exhibit 2.)

<sup>4</sup> The Public Improvement Advisory Committee (PIAC) consists of 13 individuals, 2 from each council district and a chairperson, appointed by the Mayor and City Council. The PIAC's primary function is to solicit input and make recommendations regarding the appropriation of general municipal funds for capital improvements.

<sup>5</sup> *Strategic Business Plan*, Kansas City, Missouri, Parks, Recreation and Boulevards Department, Division of Community Centers, 1998, p. 3.



Exhibit 2. Community Centers Staffing, Fiscal Years 1996 to 2001

Fiscal Year	Staff	Centers
1996	59.4	8
1997	69.1	9
1998	80.3	10
1999	85.0	10
2000	101.4	10
2001	96.5	11

Sources: Adopted Budgets, 1997-2002 and Submitted Budget 2003.

**Funding sources.** Community center operations receive funding from vehicle license fees and user fees. User fees are collected at the community centers for room rentals, educational and recreational classes, and sporting events. Some activities are provided free of charge. In some cases, there is a discount for city residents.

The community center fund was established to account for the vehicle license fee revenue and user fees collected at the new centers. Use of this fund is restricted to parks and recreation purposes.

The general fund is the sole source of operating funds for the older centers and is also used to cover revenue shortfalls for the new centers.

**Facilities and programming.** Most centers include a gym, meeting rooms, kitchen, and fitness equipment. Four centers have a pool, a few have game rooms, one has an indoor walking track, and another has an ice rink.

The centers provide programming for all ages. Arts and crafts, dance, fitness programs, and sports are provided for preschoolers. The centers provide the same activities for youth, plus tutoring, computer labs, swimming and reading classes. Classes for adults and seniors share many of the youth activities, along with health programs and field trips. None of the programs listed in the Parks and Recreation 2002 Spring and Summer Programs catalog were provided at every one of the 11 centers. Most programs are offered at less than half of the centers.

Marlborough, Lykins and Garrison are considered neighborhood centers for children; Lykins Center also has a focus on ceramics; Westport offers art and dog obedience classes; and a few centers offer martial arts programs. Parks staff report that the Gregg/Klice Center and the Line Creek Center are regional centers, drawing users from the metropolitan area. Line Creek offers limited general public use, due to an emphasis on hockey league games and figure skating.





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## Findings and Recommendations

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### Summary

Operating costs for the department's 11 community centers exceed the revenue provided from dedicated funding and user fees. While the prior Board of Parks and Recreation Commissioners identified the dedicated revenue for center construction and operations, costs were not determined when decisions were made to expand the system. In fiscal year 2001, general fund contributions to community center operations exceeded \$3.5 million. Maintenance problems at the community centers are substantial, however operating expenses do not include maintenance funding.

Financial policies to address the operating deficit or to guide staff on program pricing and the use of partnerships to leverage financial resources have not been established. In addition, it was recently determined that vehicle license fees, the dedicated revenue source, will expire in 2012, while bond payments for center construction continue until 2014. Unless other funding is identified, additional general fund contributions will be needed.

The variety of programs and services offered by the community centers may not reflect public interests. Community center visits have increased slightly since 1999. Public input into program planning is limited. New programs are typically proposed by center directors, and reviewed and approved by the division manager without determining public interest. The staff makes limited attempts to determine user satisfaction. As a result, it is difficult to determine whether the centers' mix of activities serves the best interests of the public.

The board has not identified the role of the centers, specifically what community needs the centers should address, the programs or services they should provide, or their intended users. Measurable goals and objectives have not been developed. Without them, the board or department is prevented from evaluating center performance.

We recommend the board develop financial policies to address the operating shortfall, begin planning for the loss of vehicle license fees, provide guidance on program pricing, and guidelines on partnerships. The board should also identify the role of the centers, considering limited available funding and community input. Parks and Recreation staff

should establish measurable goals and objectives, actively seek community input, and actively assess user satisfaction.

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## **Operating Costs Exceed Dedicated Resources**

Operating costs for the department's 11 community centers exceed the revenue provided from dedicated funding sources and user fees. Revenue earmarked for center construction and operations was identified by the prior board, but operating costs were not determined when decisions were made to expand the system. General fund support for community centers exceeded \$3.5 million in fiscal year 2001. Vehicle license fees, the dedicated revenue source, will expire in 2012, while bond payments for center construction continue until 2014. Unless other funding is identified, additional general fund contributions will be needed to compensate. Maintenance problems are substantial but maintenance funds are not part of community center operating costs. While operating costs increase, dedicated revenue is largely unchanged.

User fee revenue has increased to almost \$1 million annually, but approximately \$110,000 in fees collected at the older centers are placed in the East Park Fund, where it can be used for other department activities. Partnerships are recognized as a way for parks and recreation operations to leverage financial resources and the Community Centers Division has established some agreements, but the board has not developed policies that would govern and encourage such relationships.

### **Operations Require Substantial General Fund Contributions**

Community center operating deficits are covered by the general fund. Prior to making its decisions to build and renovate community centers, the prior board identified how much of the dedicated funding from vehicle license fees would be spent for community center operations. The actual cost of operating the expanded system, however, was not determined prior to the expansion. Cost increases have not been offset by increases in dedicated revenue and user fees. Instead, operating deficits have been funded through increasing general fund contributions. Maintenance problems exist and maintenance funding is not part of the division's reported operating expenses.

**Operating costs were not considered prior to the decision to expand the community center system.** Following the approval of the vehicle license fee in 1992, the prior board planned to spend \$1.5 million annually for debt service related to construction of the new centers and the renovation of existing centers. The prior board also planned to spend

\$450,000 of the annual proceeds from vehicle license fees for the operation of the new community centers. Minutes from meetings of the Board of Parks and Recreation Commissioners do not indicate any discussion of the estimated operating costs for the new community centers.

Estimating the operating costs would have made clear the inadequacy of the dedicated funding. For example, providing only four employees at each of the four new community centers with salary and benefit costs of \$30,000 each, would cost \$480,000, or \$30,000 more than the dedicated funds planned for operations. Actual staff for the centers has averaged twice as many.

**Operating costs exceed dedicated funding.** Revenue from vehicle license fees and user fees are the only sources of dedicated funding for community center operations. The combined total of debt service expenditures connected with the construction of the new centers and actual costs of operating all the centers have exceeded the available funding by an average of \$2.5 million annually over the past five years. In addition, the amount of the annual deficit is increasing and totaled over \$3.7 million in fiscal year 2001. (See Exhibit 4.)

Exhibit 4. Community Center Resources and Expenditures, Fiscal Years 1997 to 2001

	1997	1998	1999	2000	2001
Vehicle License Fees	\$ 1,790,804	\$ 1,896,723	\$ 1,912,906	\$ 1,882,726	\$ 1,840,872
User Fees	485,633	691,893	803,508	860,066	914,064
Less Transfers Out <sup>6</sup>	-	(290,000)	-	(370,000)	(294,000)
Community Center Resources	\$ 2,276,437	\$ 2,298,616	\$ 2,716,414	\$ 2,372,792	\$ 2,460,936
Less Debt Service Expenses	(1,481,834)	(642,885) <sup>7</sup>	(1,477,747)	(1,474,496)	(1,185,064)
Resources Available for Operation	\$ 794,603	\$ 1,655,731	\$ 1,238,667	\$ 898,296	\$ 1,275,872
Less Operating Expenses	(2,891,562)	(3,197,805)	(3,271,001)	(4,158,934)	(5,024,116)
Surplus/(Deficit)	\$ (2,096,959)	\$ (1,542,074)	\$ (2,032,334)	\$ (3,260,638)	(3,748,244)
General Fund Contribution	2,166,218	1,539,991	2,549,813	3,105,573	3,556,104
General Fund Support as a % of Operating Expenses	74.9%	48.2%	78.0%	74.7%	70.8%

Sources: Adopted Budgets 1999-2002; Submitted Budget 2003; and Community Centers Division Revenue Reports, 1997-2001.

**General fund contributions are increasing.** As operating deficits for the community centers increase, so do general fund contributions. While the general fund remains the sole source of operating funds for the old centers, general fund contributions are also increasing to cover operating deficits for the new centers.

<sup>6</sup> Transfers out from the community center fund include \$370,000 to 94 A & B projects in 2000, and \$294,000 to the zoo fund in 2001.

<sup>7</sup> Debt service payments were reduced in 1998 as interest from prior years was recognized in the construction fund.

General fund support of all community centers has exceeded \$2 million per year in recent years and is increasing. In fiscal year 2001, the general fund contribution exceeded \$3.5 million. In most years, the general fund has contributed more than two-thirds of the operating costs of the community centers.

**Dedicated revenue scheduled to end.** The uniform vehicle license fee, which voters approved to replace the city sticker, can only be collected until 2012. This fact was only recently determined from reviewing the enabling legislation. Unless an alternative funding source is identified or some of the centers are closed to reduce costs, additional general fund contributions of about \$1.8 million will be needed to replace this dedicated revenue.

In addition, the bonds used to finance construction and renovation of the centers will not be completely repaid until 2014. Completing the debt service payments for those last two years would require additional general fund contributions exceeding \$1 million annually.

The board should establish financial policies that address the operating deficit, including what portion of operating costs should be covered by dedicated revenue and user fees and the amount of general fund support to request from the City Council. The board should also begin planning for the end of the vehicle license fee and continuation of debt service payments.

### **Maintenance Efforts Are Inadequate**

Reported community center operating expenses do not include maintenance funding. Instead, the Parks and Recreation Department's Buildings and Structures Division performs maintenance services as needs arise and if funds are available. Reported maintenance problems are substantial. Three center directors reported long periods of air-conditioning outages in the summer months. Three directors also reported serious problems with leaking roofs. Consultants reviewing the department's recreation efforts in 1990 characterized the older centers as being in "poor" physical condition.<sup>8</sup>

Maintenance and repair problems are not limited to the older centers. The Health Department required the Tony Aguirre Center, which opened in 2001, to install a new dehumidifier to remove mold in the swimming

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<sup>8</sup> *Assessment of the Recreation Function for the Board of Parks and Recreation Commissioners, Kansas City, Missouri*, Management Learning Laboratories, Inc., Champaign, Illinois, and Richardson Verdoorn Ehrler, Austin, Texas, September 1990, p. 8.

pool area. Repairs for the Zamboni used to maintain the ice rink at Line Creek Center cost \$28,000 in fiscal year 2001.

A number of the center directors report they assign staff members to perform some maintenance work, such as painting interior walls and fixtures. This results in staff time being used for maintenance, rather than program development and evaluation or assisting citizens using the centers.

**Costs and funding sources should be identified during project planning.** Policies recommended by the Community Infrastructure Committee (CIC), and adopted by the City Council in October 1997, state that operating and maintenance information should be developed for all projects before they are included in the city's capital improvement plan. The CIC also recommended that estimates should be prepared for annual maintenance and operating costs, and funding sources for operating and maintenance costs must be identified.

Anticipating and budgeting for maintenance costs would strengthen management's ability to make decisions on community center operations by providing more complete information on operating costs. The Parks and Recreation Director should ensure maintenance funding is included in future community center operating budgets.

### **Financial Policies Should Address Fee Revenue and Partnerships**

The Board of Parks and Recreation Commissioners has not provided division staff with clear guidelines for determining program pricing. Revenue from user fees totals less than 20 percent of operating costs and a portion of these revenues can be used for other Parks and Recreation purposes. The board also has not provided division staff direction for seeking partnerships that would both guide and encourage their use.

One of the primary functions of a governing body such as the Board of Parks and Recreation Commissioners is to establish a sound fiscal plan to ensure adequate financial resources for the agency while exercising control over expenditures.<sup>9</sup> The Government Finance Officers Association (GFOA) and National Advisory Council on State and Local Budgeting (NACSLB) recommend adopting and periodically reviewing financial planning, revenue, and expenditure policies.<sup>10</sup>

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<sup>9</sup> Dennis R. Howard and John L. Crompton, *Financing, Managing and Marketing Recreation & Park Resources*, (Dubuque, Iowa: Wm. C. Brown Company Publishers, 1980), p. 239.

<sup>10</sup> *Good Governance Practices for Boards and Commissions*, City of Kansas City, Missouri, City Auditor's Office, August 2001, p. 6.



The Board needs to address the financial shortfall by establishing financial policies that consider current and future center needs, based on available and anticipated resources.

**Cost recovery goals were proposed.** Establishing a goal for the percentage of a program's cost that will be recovered by fees and other sources includes determining the level of public support for the program and the user fees to be charged. For the fiscal year 2003 budget, division staff provided the board with cost recovery goals that varied by the program offered. These goals ranged from 0 percent for some sport, music, fitness, and education programs up to 96 percent for adult pottery classes. Rental fees are expected to recover 71 percent of the costs at the older centers and 155 percent of costs in the new centers.

**Other jurisdictions have cost recovery goals.** Similar operations in the metropolitan area have cost recovery goals ranging from 90 to 176 percent of costs. The 2002 budget for the Mission Community Center includes a cost recovery goal of 90 percent. Cost recovery goals at the Overland Park Community Center vary by program. City-sponsored leisure service classes and programs have a cost recovery goal of 120 percent and adult athletic leagues have cost recovery goals of between 105 and 176 percent.

User fees support approximately 70 percent of the expenditures for recreation programs at the Johnson County Parks and Recreation District. There, only the staffing costs for senior, special population programs, and the theater-in-the-park are supported by the general fund.

**User fees provide limited cost recovery.** User fee revenue has increased from close to \$500,000 in fiscal year 1997 to almost \$1 million in 2001. (See Exhibit 5.) When compared to reported operating expenses of approximately \$5 million in 2001, user fees collected at all the community centers represent about 18 percent of community center costs.

In fiscal year 2001, most of the user fee revenue was generated from the new and rebuilt centers, with about 78 percent of the revenue generated in three centers, Line Creek, Gregg/Klice, and Hillcrest.

Exhibit 5. Community Centers Revenue, Fiscal Years 1997 to 2001

	1997	1998	1999	2000	2001
Blue Valley (closed May 2000)	\$ 10,124	\$ 8,632	\$ 5,874	\$ 4,197	\$ 0
Garrison	4,498	7,314	7,746	6,968	4,276
Lykins	10,056	7,384	6,390	7,431	6,265
Tony Aguirre (new)	0	0	0	0	8,931
Marlborough (rebuilt)	8,466	4,988	5,644	7,850	14,849
Southeast	20,765	28,464	15,742	14,781	18,850
KC North	38,822	50,487	45,937	42,804	38,530
Westport-Roanoke	31,520	40,254	36,301	38,784	41,936
Brush Creek (new)	72,714	50,081	51,436	67,456	71,693
Hillcrest (new)	60,054	61,908	85,124	104,605	103,648
Gregg/Klice <sup>11</sup> (rebuilt)	2,925	52,119	145,496	173,354	186,576
Line Creek (new)	225,689	380,261	397,817	391,836	418,509
<b>Total Revenue</b>	<b>\$485,632</b>	<b>\$691,893</b>	<b>\$803,508</b>	<b>\$860,066</b>	<b>\$914,064</b>

Sources: Community Centers Division Revenue Reports, 1997-2001.

Not all user fee revenue is used to offset community center operating costs. Fee revenue generated by the older centers (Blue Valley, Garrison, Lykins, Southeast, Kansas City North, and Westport-Roanoke) is placed in the East Park fund where it can be used for other department activities. Approximately \$110,000 in program fees was placed in the East Park Fund in fiscal year 2001.

User fees for programs that are partially or fully fee-based should be priced at an amount that will recover all program costs up to a specified percentage. Currently, the Community Centers Division only considers direct costs when establishing fees for some programs.

**Direction needed on program pricing.** The board has not provided the division with guidance for determining the level of operating subsidies that will be provided for various types of programs. Division staff annually present the Board of Parks and Recreation Commissioners with a proposed list of fees for review and approval. Experts generally suggest that the level of support programs receive should be based on three broad categories, depending on whom the program serves.

*Full subsidy.* Programs available to all citizens free of charge. Programs in this category include special events, drop-in activities, or one-day instructional workshops. Education classes, activities for seniors or youth, and some sports programs could be considered for this category.

*Partial subsidy.* Programs that benefit both the public interest and private individuals. For example, summer camp programs provide

<sup>11</sup> In fiscal year 1997, Gregg Center was still operating from the old site.

benefits to each child and to the public at large. Such programs are partially subsidized with tax dollars but also supported by user fees.

*Fee-based.* Programs that provide a service to those who are able and willing to pay. Programs included in this category may require skilled instructors, special equipment, or materials such as art supplies. This could include most adult sports, arts, or educational programs.

The board should establish policies for program pricing to guide Parks and Recreation management in determining user fees, based on the expected level of public subsidy for the program or service. The policy should also require management to monitor and report on progress toward achieving subsidy levels at least annually.

**Partnerships could leverage resources.** Fewer public resources are available to park agencies due to increased competition for limited government funds. Mutually beneficial partnerships can promote the department's recreational efforts and stretch public resources. To succeed, these partnerships must be formal, legal agreements, managed on an ongoing basis.

Parks and Recreation has begun developing partnerships with other organizations. Under one such agreement, the Mid-America Regional Council (MARC) provides lunch for seniors at the Hillcrest Community Center. The division will receive \$9,350 from MARC for rental of community center space in 2002.

For the last three years, the board approved annual contracts with Greater Kansas City LINC, Inc. According to the current contract, Parks will receive \$332,000 to administer before and after school educational and recreational programs at a few elementary schools within the Kansas City, Missouri School District.

The department also has developed an agreement with the Police Athletic League of Kansas City, Inc. (PAL). The agreement allows PAL to lease the Blue Valley Community Center, which closed in May 2000. PAL does not pay rent, but does pay the maintenance and utility costs. PAL began operations at the facility in October 2001 after completing extensive renovations financed through grants and donations from private corporations.

Park agencies around the nation are exploring partnership opportunities. Partnerships were a major topic at the National Recreation and Park Association (NRPA) 2001 Congress and Exposition meeting. Locally, the Johnson County Parks and Recreation District uses partnerships with

municipalities and local recreation facilities to offer recreation programs. For example, the district has a formal agreement with the Overland Park Community Center to provide its senior program. Similarly, the YMCA Association Board works to develop partnerships with school districts, hospitals, and other organizations to support the operations of 12 YMCAs in the metropolitan area. The new YMCA center in Olathe is located on the Olathe Medical Center Campus, and was built through a partnership with the school district and the hospital.

The board should establish a policy for partnerships with school districts, area hospitals, the YMCA and other social or recreational service agencies. The policy should encourage Parks and Recreation staff to pursue them, identify criteria that should be used to evaluate partnership opportunities, and identify information staff should provide to the board when communicating partnership proposals. Written agreements should be required for all approved partnerships.

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## **Programs Offered May Not Reflect Public Interests**

Community center programs are typically chosen by staff with limited input from the public. Reported community center visits have increased slightly since 1999. Recent citizen surveys show most citizens rarely use the city's recreation facilities. The Board of Parks and Recreation Commissioners has not identified the role of the centers, specifically, what community need the centers are supposed to address, the programs the centers should provide, or the intended users of the centers. Measurable goals and objectives have not been developed for the community centers, hindering efforts to evaluate staff or center performance.

### **Nominal Increases in Community Center Visits Suggest Programs May Not Reflect Public Interests**

Comparisons of reported community center visits show little increase since 1999. Recent citizen surveys show most citizens seldom or never use the city's recreation facilities. Memberships in other area facilities, however, include a significant number of Kansas City residents, suggesting that a market for recreation programs exists. The city's community centers are open fewer hours than other recreation facilities. Currently, programming at the community centers is proposed by center directors, and reviewed and approved by the division manager. Programs are sometimes based on suggestions from users. The division does not solicit citizen input on the programs to be offered. Programs sometimes have to be cancelled due to the low number of registrations.

**Current program offerings have not significantly increased center visits.** Department records indicate that community center visits increased by approximately 2 percent in 2000, and remained level in 2001. (See Exhibit 6.) Reported figures reflect both participants and spectators.

Exhibit 6. Community Center Visits, Fiscal Years 1999 to 2001

Community Centers	1999	2000	2001	% Change 1999-01	% of Total 2001 Visits
Blue Valley (closed 5/00)	32,340	25,511	N/A	N/A	0.0%
Garrison	59,613	59,499	62,395	4.7%	9.7%
KC North	93,056	84,142	83,966	-9.8%	13.1%
Lykins	30,352	28,368	37,880	24.8%	5.9%
Marlborough	20,858	18,994	35,201	68.8%	5.5%
Southeast	57,401	59,065	63,806	11.2%	9.9%
Westport-Roanoke	37,967	41,585	35,349	-6.9%	5.5%
Brush Creek	73,434	91,359	91,084	24.0%	14.2%
Hillcrest	73,048	79,083	68,409	-6.4%	10.7%
Line Creek	68,787	63,968	61,789	-10.2%	9.6%
Gregg/Klice	82,792	90,490	89,882	8.6%	14.0%
Tony Aguirre	N/A	N/A	12,068	N/A	1.9%
Total Visits	629,648	642,064	641,829	1.9%	100%

Sources: Community Centers Division Participation Reports, FY1999-2001.

**Citizen survey shows resident use is low.** The 2000 Kansas City Citizen Survey showed that over 60 percent of the survey respondents seldom or never used city recreation facilities. Less than half of those with an opinion were satisfied with city recreation programs. According to the 2001 survey, almost 60 percent of respondents and their household members had seldom or never used Kansas City recreation services in the previous year.<sup>12</sup>

**Citizen interest in recreation services exists.** Low usage rates for recreation services do not reflect a lack of interest in recreation on the part of Kansas City residents. According to staff at the North Kansas City Community Center, over 50 percent of that center's membership are residents of Kansas City, Missouri. It appears that there is a demand for recreation services that the community centers in Kansas City, Missouri, could provide.

**Centers are open fewer hours than other area recreation facilities.** Operating hours for the centers vary from 65 per week at Lykins to 105

<sup>12</sup> 2001 *DirectionFinder Survey Findings Report*, ETC Institute, February 2002, p. 47.

at Line Creek.<sup>13</sup> The centers are not open on holidays, and only 3 of the 11 centers (Brush Creek, Gregg/Klice, and Line Creek) are open on Sundays. Except for Line Creek, Kansas City's community centers are open fewer hours than other area recreation facilities, which are also open on weekends and most holidays. (See Exhibit 7.)

Exhibit 7. Community Center Operating Hours Per Week

Facility	Operating Hours
Lykins	65
Kansas City North	66
Garrison	68
Marlborough	68
Southeast	69
Westport	73
Tony Aguirre	74
Hillcrest	79
Brush Creek	80
Gregg/Klice	88
Line Creek	105
<b>Other Area Facilities</b>	
Mission Community Center	102.5
Red Bridge YMCA	103.5
North Kansas City Community Center	104.5

Sources: Parks and Recreation 2002 Spring and Summer Programs catalog; Community Center staff; City of Mission Parks and Recreation Fact Sheet; Red Bridge YMCA Information Sheet; and North Kansas City Community Center information brochure.

**Increasing participation requires information about users' interests.**

The division has not formally surveyed users or potential users regarding programming interests or other issues, such as the hours of operation. Comment cards are available onsite for center visitors, however this limits their completion to center visitors. Determining community-wide satisfaction requires obtaining the views of residents who are not currently program participants.

Literature suggests that a recreation and park agency's failure often can be traced to its neglect of the basic wants and desires of its potential consumers. Program and service providers should focus on the wants of potential consumers of recreation and park services whenever decisions regarding an agency's programs, services, their prices, location, and promotion are being considered.<sup>14</sup> The primary reason for encouraging public involvement should be that it leads to better decision making.<sup>15</sup>

<sup>13</sup> The Line Creek facility provides limited time for public use on weekends due to scheduling youth and adult hockey leagues and figure skating practice and events.

<sup>14</sup> *Financing, Managing and Marketing Recreation & Park Resources*, p. 309.

<sup>15</sup> *Financing, Managing and Marketing Recreation & Park Resources*, p. 327.

**The division should actively seek public input on programming.**

Other recreation facilities in the area rely on advisory councils to provide public input on programming. Advisory councils can also assist in recruiting volunteers and new community center users, and provide staff with opportunities to develop broader relationships in the community.

YMCAs function with advisory councils made up of community members from the neighborhoods where the facility is located. The center director at each facility determines how large the advisory council will be, depending on the needs of the community. The advisory council assists the center director with day-to-day operations.

Failure to consider views of the public because of the notion that “planners or programmers know what is best,” has been responsible for committing large financial expenditures to projects that fail to meet recreation wants effectively, and for generating ill-will among community groups. Increasing numbers of citizens want to be involved in actions which have an impact upon their lives.<sup>16</sup>

The division, working with the board, should seek ongoing public involvement in community center operations, including decisions on programming and hours of operation. Efforts should include development of advisory councils for each community center, and periodic community and neighborhood needs assessments. Information obtained from these efforts should be routinely reported to the board.

**The Board Has Not Defined Community Center Role**

The Board of Parks and Recreation Commissioners has not clearly articulated the role of the community center program, specifically the community need the centers should address, the programs the centers should provide, or the users the centers should seek to serve. Without this information, it is difficult for Parks and Recreation staff to identify the programs and services they should provide to fulfill the board defined role. Board minutes from meetings at which the decision was made to expand the community center system show no indication that the board considered whether the programs offered at the existing centers were appropriate for the center users; how well the center services reflected the needs of the intended users; or whether the programs, clientele, or services should be modified when the new centers were built. Also,

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<sup>16</sup> *Financing, Managing and Marketing Recreation & Park Resources*, p. 327.

board meeting minutes do not show such discussions taking place subsequent to the decision to expand the system.

The board should identify the role of the community centers, including the community need, whom the centers should serve, and the programs and services the community centers should provide. In doing so, the board should consider the financial resources available, and public input on the programs the centers should offer.

### **Developing Performance Measures Could Improve Effectiveness**

Measurable goals and objectives have not been developed to evaluate community center staff or center performance. Operating strategies were included in the Community Centers Division's 1998 business plan, but measurable objectives were not identified to assess accomplishment.

Strategies described in the business plan included "collecting program guidelines from other community centers and recreation departments," and "using this information to develop the program development guidelines." Programming goals, such as "ensuring the highest quality programming" and "increasing programming for specialized groups" were also included in the business plan, but without corresponding performance measures, it is difficult for anyone, including the board, to determine how well staff is achieving these goals.

Literature on managing recreation resources indicates successful operations depend on commonly accepted objectives in advance of performance. Recreation objectives cited as examples include:

- Reducing annual departmental operating costs by 10 percent.
- Increasing annual citywide recreation center attendance by 6 percent.
- Completion of a citywide leisure attitude and opinion survey.<sup>17</sup>

In each case, there is a quantifiable goal against which achievement can be assessed and reported. Establishing measurable goals and objectives and monitoring progress in their achievement could provide a mechanism for evaluating staff or center performance.

**User feedback should be actively sought.** Evaluation cards are available to users at each center, however, the department currently has no mechanism to ensure center directors collect the cards. The division

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<sup>17</sup> *Financing, Managing and Marketing Recreation & Park Resources*, p. 251.



should actively seek user feedback and use the information when assessing center programming.

Literature identifies direct user input from surveys as the best means of determining satisfaction with programming. Regular monitoring through such surveys can identify programs that are effective and those that should be retired.<sup>18</sup>

**Other area operations obtain user satisfaction data.** Overland Park Community Center management uses phone surveys of program users to obtain feedback on satisfaction and suggestions for improvement. The North Kansas City Community Center uses “secret shoppers,” who are actual center members, to report on satisfaction with programs, and to see whether classes are being conducted properly. The Johnson County Parks and Recreation District solicits comments and suggestions through comment cards and e-mails to their website.

Measuring user satisfaction will provide a means for assessing whether programs are reaching intended goals and whether specific programs should be added, modified, or canceled.

The Director of Parks and Recreation should develop measurable goals and objectives for the Community Centers Division. Once established, the director should require division staff to monitor progress toward achievement of the goals and annually prepare a report of results for review by the Board of Parks and Recreation Commissioners. In addition, mechanisms should be established to obtain feedback from users on community center programs. This information should be used to evaluate programs, and to determine their viability.

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## **Recommendations**

1. The Board of Parks and Recreation Commissioners should establish a financial policy that identifies the portion of operating costs that will be funded through dedicated resources and user fees, and identifies the level of general fund support to request from the City Council.
2. The Board of Parks and Recreation Commissioners should establish a plan for funding community center operations and debt service payments when the dedicated revenue ends in 2012.

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<sup>18</sup> *Financing, Managing and Marketing Recreation & Park Resources*, page 402.

3. The Director of Parks and Recreation should establish a policy requiring the inclusion of maintenance funding in future community center operating budgets.
4. The Board of Parks and Recreation Commissioners should establish a program pricing policy that identifies the extent to which individual programs or activities will be subsidized. The policy should require management to monitor and report on progress toward meeting these subsidy levels at least annually.
5. The Board of Parks and Recreation Commissioners should establish a policy for partnerships that encourages park staff to pursue them, identifies criteria staff should use to evaluate partnership opportunities, and identifies information staff should provide to the board when communicating partnership proposals. Written agreements should be required for all approved partnerships.
6. The Director of Parks and Recreation should develop mechanisms for collecting ongoing citizen input on community center operations, and obtaining user satisfaction data from individual program participants. Efforts to obtain citizen input should include conducting periodic community and neighborhood needs assessments and establishing advisory councils at each community center. User satisfaction data should be used when considering program modifications.
7. The Board of Parks and Recreation Commissioners should determine the role of the community centers including the community need the centers will address, the services that should be provided, and the intended users of the centers.
8. The Director of Parks and Recreation should oversee the development of measurable goals and objectives for the Community Centers Division.
9. The Director of Parks and Recreation should require that staff monitor progress in achieving division goals and annually prepare a report of results for review by the Board of Parks and Recreation Commissioners.



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## **Appendix A**

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### **Community Center Descriptions**



**Brush Creek Community Center, 3801 Emmanuel Cleaver II Boulevard.** This 14,219 square foot facility was the second of the new centers to open, at a cost of \$3.2 million. There is a gymnasium, fitness room, outdoor pool, meeting rooms, and restaurant-quality kitchen.

**Garrison Community Center, 1124 East 5<sup>th</sup> Street.** Garrison is a large, two-story stone building with 11,904 square feet. Housed in a 1913 historic building, it has a gym, a first-floor kitchen, and a dining/meeting area. The second floor houses offices and additional meeting rooms, while a ceramics room and weight lifting room are in the basement.

**Hillcrest Community Center, 10401 Hillcrest Road.** This 21,281 square foot center opened in November 1995, at a cost of approximately \$2.7 million. Hillcrest is located in Jerry Darter Park off Hillcrest Road. There is a lobby, office space, large lounging area with a stone fireplace, a large meeting room, a smaller television-viewing room, a restaurant-quality kitchen, dining area, a quilting and crafts room, a full-size gymnasium with a jogging track above the perimeter of the gym, fitness equipment, and weight-lifting machines.

**John H. Gregg Community Center and Arrington Klice Fitness Center, 1600 East 17<sup>th</sup> Terrace.** The old John Gregg Community Center and swimming pool were demolished at this site. The new 29,767 square foot center opened in November 1997 at a cost of \$4.1 million. The center has a full-sized gymnasium, a large fitness center with boxing ring, indoor swimming pool, sauna, steam rooms, meeting space, offices, and a restaurant-quality kitchen.

**Kansas City North Community Center, 3930 N.E. Antioch Road.** This center, built in 1959, has 14,488 square feet. It has an auditorium with a stage on the entry level, ceramics and crafts rooms, meeting rooms and offices, and a small gymnasium, kitchen and additional meeting space on a second level. PIAC funds have been approved to allow for approximately \$400,000 in facility restoration.

**Line Creek Community Center, 5940 N.W. Waukomis.** This 26,163 square foot center, built at a cost of \$3.9 million, includes an ice rink and outdoor swimming pool. There is a concession area, but not a fully equipped kitchen. There are locker rooms, but limited meeting space.

**Lykins Community Center, 4012 East 10<sup>th</sup> Street.** Lykins, built in 1959 with 19,110 square feet, is a former school belonging to the Catholic diocese that was given to the Parks and Recreation Department and converted to a community center several years ago. There is a full-

sized gymnasium, offices, meeting rooms and a kitchen on the first level. On the second floor, classrooms have been converted into meeting rooms and storage areas.

**Marlborough Community Center, 8200 Paseo.** The old Marlborough storefront center was demolished and the new center built on the site. The 8,100 square foot facility opened in August 2000 at a cost of about \$1.4 million. The center has a full-sized gymnasium, a small residential kitchen, a crafts room, and small exercise room.

**Tony Aguirre Community Center, 2050 West Pennway.** This new facility, opened in November 2000 at a cost of \$4.3 million. The 28,000 square foot center is built on two levels, with a lobby, exercise area, swimming pool with changing rooms on the first level, and gymnasium, residential kitchen, and meeting room space on the second level.

**Southeast Community Center, 3601 East 63<sup>rd</sup> Street.** This older center, built in the 1950s, is located near Swope Park and Southeast High School. There is a gymnasium with a stage, game room, offices, kitchen, and meeting space.

**Westport-Roanoke Community Center, 3601 Roanoke Road.** Westport-Roanoke is an older center, built in the 1960s. The facility has a gymnasium with stage, a kitchen, large and small meeting rooms, and a pottery room with kiln.

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## **Appendix B**

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### **Director of Parks and Recreation's Response**







## INTER-DEPARTMENTAL COMMUNICATION

**Date:** April 24, 2002  
**To:** Mark Funkhouser, City Auditor  
**From:** Terry R. Dopson, Director of Parks and Recreation  
**Subject:** Response to the Community Center Performance Audit

This memo is in response to the draft of the performance audit on Parks and Recreation Department Community Centers issued in March 2002.

The audit included several findings and nine recommendations for performance of the 11 community centers.

While we disagree with some of the findings, we agree with the recommendations, many of which we believe we are currently doing, if not as formally as the audit recommends. We are particularly concerned with the finding that "uniform vehicle license fees, the source of community center dedicated revenue, expires in 2012." We are seeking clarification on this finding, but if it does expire after 20 years, it should expire in 2013.

As a general comment, Parks and Recreation managers and staff are reviewing our long-range strategic plan, which includes elements recommended in the audit. As a matter of adopting best practices, we anticipate operational improvements over the next months.

Community Center staff performs a variety of tasks to solicit public input into programming. Interest cards are available at centers, and staff meets with Parent Teacher Associations, neighborhood associations and church groups to help develop programs. So we take issue with the finding that there is limited public input into programming; however, more input is always worth pursuing.

Some centers already have citizen advisory councils, and all other centers are in the process of developing advisory councils. In fiscal year 2002, the centers have had 613 volunteers donate 7,448 hours to various activities and programs. This demonstrates a great deal of public input.

During our interview, we mentioned to the auditors that comparing our community centers with the local YMCAs and centers in Johnson County, Overland Park, and Mission, KS and North Kansas City, MO is not a fair comparison, as our role is different. Our centers serve a different economic and demographic population.

Following are the recommendations and our comments:

1. The Board of Parks and Recreation Commissioners should establish a financial policy that identifies the portion of operating costs that will be funded through dedicated resources and user fees, and identifies the level of general fund support to request from the City Council.

**While this is done annually through the budget process, we agree that such a policy could be beneficial as a guideline that should be revisited during budget preparation. Staff will work on developing such a policy for board review.**

2. The Board of Parks and Recreation Commissioners should establish a plan for funding community center operations and debt service payment when the dedicated revenue ends in 2012.

**Staff is researching this recommendation.**

3. The Director of Parks and recreation should establish a policy requiring the inclusion of maintenance funding in future community center budgets.

**Past budgets have included funding for maintenance in both the operating budget and the Public Improvement Advisory Committee (PIAC) budget. However, we agree that funding has been inadequate. Facility and infrastructure maintenance funding is an ongoing challenge citywide. Staff will continue to develop strategies for the best use of limited resources for maintenance, and develop a policy for board review.**

4. The Board of Parks and Recreation Commissioners should establish a program pricing policy that identifies the extent to which individual programs or activities will be subsidized. The policy should require management to monitor and report on progress toward meeting these subsidy levels at least annually.

**This recommendation is related to recommendation number 1. Currently, our goal is to recover all direct costs of most programs that are offered, which are the costs of instructor/s and materials. Staff will evaluate this goal, and consider including some overhead costs in a pricing policy to be presented to the Board for review.**

5. The Board of Parks and Recreation Commissioners should establish a policy for partnerships that encourages park staff to pursue them, identifies criteria staff should use to evaluate partnership opportunities, and identifies information staff should provide to the board when communicating partnership proposals. Written agreements should be required for all approved partnerships.

**We are currently following this recommendation, albeit not as formally as the recommendation would require. Staff will review this recommendation, and prepare a policy for partnerships for board consideration.**

6. The Director of Parks and Recreation should develop mechanisms for collecting on-going citizen input on community center operations, and obtaining user satisfaction data from individual program participants. Efforts to obtain citizen input should include conducting periodic community and neighborhood needs assessments and establishing advisory councils at each community center. User satisfaction data should be used when considering program modifications.

**Staff currently surveys participants before and after each program, and makes program modifications based on responses. The Department's Revenue and Program Committees are working on strategies to improve information flow, including forming focus groups and other mechanisms. We agree that needs assessments are important, and are developing strategies to perform such assessments with limited resources that are available. We are also participating in the National Recreation and Parks Association's management by objectives program, and hope to implement some of the procedures recommended.**

7. The Board of Parks and Recreation Commissioners should determine the role of the community centers including the community need the centers will address, the services that should be provided, and the intended users of the centers.

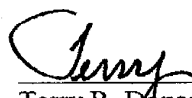
**Our mission statement, as stated on page 3 of this audit, and as approved by the Board, represents our role. However, we agree that the thorough needs assessment performed in the early 1990's should be reviewed for modifications. Staff will develop a concise statement regarding the issues in this recommendation for Board consideration.**

8. The Director of Parks and Recreation should oversee the development of measurable goals and objectives for the Community Center Division.

**Goals and objectives were developed during our strategic planning in 1998, and are currently being reviewed.**

9. The Director of Parks and Recreation should require that staff monitor progress toward achievement of division goals and prepare a report of results for annual review by the Parks Board.

**This is generally done during the budget process, although not in as formal a written report as recommended. Staff will consider implementing this recommendation in a more formal report.**



Terry R. Dopson, Director  
Parks, Recreation and Boulevards